

COPPER VALLEY ELECTRIC ASSOCIATION, INC.
VALDEZ DISTRICT MEETING
Valdez Civic Center
May 3, 2022

1. Call to Order

In a pre-recorded message President Lon Rake called the 2022 Meeting of the Copper Valley Electric Association Membership to order at 6 p.m. on Tuesday, May 3, 2022, in Valdez, Alaska. He thanked everyone for attending the annual meeting of the members. He extended his regrets of not attending the meeting in person but hoped everyone enjoyed the meeting. He introduced the Board of Directors who were in attendance. CEO Travis Million was introduced.

President Rake explained the process of drawing door prizes and reminded everyone they must be present to win any prize.

President Rake pointed out that cooperatives are different than other business structures and have qualities that make a co-op business model unique. A video was shown which reviewed the Seven Cooperative Principles.

2. Reports

A. Report of Quorum

Secretary Stowe reported that the Valdez District had 1,576 active members. A minimum of 50 registered members are required for a quorum. As of 6 p.m., a quorum was established with 103 members registered.

B. Notice of Meeting

Secretary Stowe read the Notice of Meeting and reported that meeting notices and ballots were mailed to all 2,773 active members on March 29, 2022, in accordance with CVEA Bylaws.

C. Reading and Approval of Minutes

Secretary Stowe asked for a motion from the floor to dispense of reading the 2021 Annual Meeting minutes as they were available for review online prior to the meeting.

MOTION Mrs. Jessi Gallatin moved to dispense with the reading of the 2021 minutes and to accept the minutes as presented

Ms. Sheila Jordan seconded.

Motion passed.

D. Financial Report

Treasurer Delaquito said the financial report was included in the 2021 Annual Report and referred to the balance sheet. She reported the Cooperative ended the year financially sound with assets of \$79.1 million, which was \$589,000 dollars higher than 2020 due to higher member equity.

In December CVEA paid out \$690,000 in capital credits. Member equity at yearend was \$23 million which equates to 29 percent of assets.

Moving to the income statement, Treasurer Delaquito said fuel costs were 35 percent of the total revenue collected for the year, which is approximately \$2.8 million higher than 2020. This was due to the average cost of north slope crude oil being \$29 per barrel higher in 2021 than the prior year.

Treasurer Delaquito reported that eighty percent of heat revenues from the Cogeneration Project are returned to members as a credit on the bill to help offset fuel costs. In 2021, a total of \$2.1 million dollars was given back to members.

CVEA ended 2021 with \$2.7 million in margins.

If you would like a more detailed explanation of CVEA's financial status, please contact Jaime Matthews. Thank you for attending this year's annual meeting.

E. Election Results

The Valdez Credentials & Election Committee members were Mr. Bobby Gibbs, Chair; Mrs. Kate Goudreau, Secretary; Mrs. Myrna Dahl, Mrs. Jenny Sodergren, and Mrs. Lorisa MacDonald.

Mr. Gibbs reported that in the Valdez District 1,576 ballot packages were mailed to active members. There were 256 envelopes returned; 239 were validated and counted. The results were as follows:

Dan Stowe	239
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The Valdez District membership re-elected Mr. Stowe to a three-year term.

Mr. Gibbs reported that for the Copper Basin District, 1,197 ballot packages were mailed to active members. There were 344 envelopes returned; 330 were validated and counted. The results were as follows:

Yvette Delaquito	218
Andy Hess	211
Jan Maslen	196

The Copper Basin District membership re-elected Director Delaquito and elected Mr. Hess each to a three-year term.

Mr. Gibbs announced the winner of the Valdez election ballot drawing for a \$50 energy credit to the winner's May electric bill.

F. Foundation Report

CEO Million provided the CVEA Community Foundation report on President Rake's behalf. The Community Foundation was established to allow Copper Valley Electric to provide educational scholarships to individuals and to make contributions to educational, scientific, and charitable organizations in our communities.

Funding of the Foundation comes from unclaimed capital credits that have reverted to the Cooperative, from members who have made one-time or recurring donations, and fundraisers. In 2021 the Foundation awarded approximately \$19,276 in contributions to 16 nonprofit organizations in the communities.

CEO Million said the Foundation was pleased to provide funding to the following organizations: Wrangell Institute for Science and the Environment, Valdez Co-op Preschool, Copper River Watershed Project, Valdez Adventure Alliance, Copper Valley Community Library, Valdez Museum and Historical Archive, Valdez City Schools – Sixth Grade Science, Valdez City Schools – Eighth Grade Science, Valdez City Schools – Sixth Grade Life Skills, Valdez City Schools – national Close Up, Copper River Native Association, Stepping Stones Learning Center, Upstream Learning, Valdez Torpedoes Swim Club, Copper River Wrestling Booster Club, and Copper Valley Historical Society,

Community members are solicited to participate on the Scholarship Selection Committee in their district. These members volunteer their time to support the Foundation's Scholarship Program and the Cooperative. CEO Million thanked the following members who volunteered to support the Foundation by serving on the Valdez Scholarship Committee: Mrs. Emily Goss, Chair, Mrs. Stephanie Morgan, and Mrs. Alice MacDonald.

Mrs. Goss announced the Valdez scholarship winners as follows: one \$1,000 general scholarships to Ms. Ambrosia Woodgate; two \$500 general scholarships to Mr. Tim Schantz and Ms. Liliana Alfaro; and the Youth Rally scholarship to Ms. Isabella Smelcer.

G. Chief Executive Officer Report

CEO Million thanked the Members for attending the meeting. He said in June 2021, the Board and senior staff met for two days to develop a Strategic Plan, which was last updated over 20 years ago. Prior to the meeting, a survey was distributed to all employees and board members to determine CVEA's strengths, weaknesses, and opportunities. Utilizing information gained from the survey, the Strategic Plan was drafted, reviewed, discussion, then finalized in December 2021. CEO Million said there were five main goals identified in the Plan: build financial strength, maintain and improve system reliability, be the employer of choice, reduce dependence on diesel fuel, and be an advocate for the members. He expanded on what each goal entailed.

CEO Million noted one upcoming key component to lowering the cost of electricity is a line extension to interconnect CVEA and the Alyeska Marine Terminal, which would reduce CVEA's consumption of diesel fuel in the winter months. He said progress is ongoing to finalize the contracts to establish the interconnection and the members would be notified once all contracts were finalized.

CEO Million provided information and said a feasibility study was underway to determine whether a micro modular nuclear reactor would work for CVEA's system. Public meetings had been held to address member concerns, and more public meetings would be scheduled as more information is collected. Details of the study would be provided later in the summer.

Other topics discussed were equipment and right-of-way maintenance, results of the member survey, community activities, benefits of utilizing the SmartHub app and other payment options, communications resources,

CEO Million responded to numerous questions on the potential nuclear project.

3. Acceptance of Reports

MOTION Mr. Dennis Murphy moved to accept the reports as presented.

Ms. Rowena Palomar seconded.

Motion passed.

4. Old Business

There was no old business to report.

5. New Business

A. Board of Adjustment

Vice President Stark reviewed the purpose of the Board of Adjustment and the process of appointment of members by the drawing of names from Cooperative members who volunteer. The names of Valdez members Ms. Tina Russel and Mr. Dale Mitchell were drawn for appointment to the Board of Adjustment in the Valdez District. Vice President Rake thanked those who submitted their names in the drawing.

Vice President Stark asked if there was any other new business to be brought forward from the Membership; there was none.

6. Special Recognition

CEO Million invited all CVEA team members to stand and be recognized. He noted that last year the first video, *An Operator Story*, in the *People Behind the Switch* series was released. He said that he was happy to share the next video in the series, *A Lineman Story*.

CEO Million and Mrs. Lindsay Malone recognized the following employees for their service to the Cooperative.

Valdez District

5 Years
Jason Shiell
Plant Operator

10 Years
Darin Sauls
Manager of Engineering

15 Years
Sharon Scheidt
Director of Communications

30 Years
Terry DeLay
Plant Operator

Jim Ehret
Chief Plant Operator

Copper Basin District

5 Years
Holly Auble
Revenue Accountant

15 Years
Toni Daniels
Operations Coordinator

25 Years
Erik Brenden
Information Systems
Technician

Nathanael Bengtson
Fleet Mechanic

Toa Finau
Custodian

Walter Lynch
Line Foreman

7. Drawing of Door Prizes

Vice President Stark said that if there was no further business to come before the Membership, the 2022 Annual Meeting of Members would recess following the grand prize giveaway and resume in Glennallen on May 5, 2022.

Director Maslen facilitated the SmartHub, Customer Service, and Split-the-Pot drawings. She reported that the Split-the-Pot fundraiser generated a total of \$453 for the Foundation and \$226.50 would be awarded to the winning ticketholder and \$226.50 would be deposited to the Foundation to help fund programs and initiatives in our communities.

Door prizes were presented to various members.

8. Adjournment

The meeting was recessed at 7:50 p.m.

Secretary

(seal)